

Date Mailed  
April 23, 1998

BEFORE THE  
PUBLIC SERVICE COMMISSION OF WISCONSIN

Investigation of Telecommunications Utility Price  
Regulation Pursuant to §196.196(1)(g), Stats.

05-TI-174

**NOTICE OF INVESTIGATION, TECHNICAL CONFERENCE,  
PREHEARING CONFERENCE, AND ASSESSMENT OF COSTS**

Request to Receive May 5, 1998, Mailing  
**May 1, 1998 - Noon**

Fax Request to Receive May 5, 1998, Mailing  
**April 30, 1998 - Noon**

Technical Conference Date:  
**May 12, 1998 - 10:00 a.m.**

Prehearing Conference Date:  
**May 12, 1998 - 2:00 p.m.**

Address Requests to:

**Thomas J. Ferris**  
**Telecommunications Division**  
Public Service Commission  
P.O. Box 7854  
Madison, WI 53707-7854  
FAX No.: (608) 266-3957

Public Service Commission Building  
610 North Whitney Way  
Amnicon Falls Hearing Room (Rm. 1300)  
Madison, Wisconsin

Pursuant to § 196.196(1)(g)1., Stats., five years after a telecommunications utility elects to become a price-regulated telecommunications utility, the Public Service Commission (Commission) shall hold a hearing to determine whether it is in the public interest to suspend one or more of the provisions of § 196.196(1), Stats., as it applies to a price-regulated telecommunications utility, or to approve an alternative regulatory method for that utility. According to § 196.196(1)(g), Stats., in making a determination, the Commission shall identify: (1) the goals to be achieved; (2) the suspension or method to be approved, and how the decision is expected to help achieve the identified goals; and (3) the criteria to be used to evaluate success of the change.

In conjunction with the Commission's five-year review, § PSC 163.06(1), Wis. Adm. Code, provides that price-regulated telecommunications utilities with more than 150,000 access lines in use in this state which elected price regulation before December 31, 1997, shall file a report no later than August 1, 1998, on how competition, economic development, consumer choice, quality of life, societal goals, and universal service have changed during the period in which price regulation has been in effect.

The report shall, where possible, include quantifiable data by separate services, demographic groups, and geographic areas, and compare measures of the above factors under price regulation to those measures prior to price regulation.

The Commission is initiating this investigation for purposes of performing the five-year review of price regulation pursuant to § 196.196(1)(g), Stats. The Commission's review will include Ameritech Wisconsin (Ameritech) and GTE North Incorporated (GTE North). These two telecommunications utilities are the only utilities electing price regulation under § 196.196(1), Stats.

On August 8, 1997, Ameritech filed a petition, pursuant to § 196.195(12), Stats., for incentive regulation with respect to depreciation rates by seeking suspension of the provisions of § 196.09, Stats., pertaining to depreciation rates for the utility. A Notice of Investigation, Assessment of Costs and Request for Comments dated September 19, 1997, was issued by the Commission commencing docket 6720-TI-130. The notice requested comments on the following: whether the utility's petition is complete in all respects concerning § 196.195(12), Stats.; whether a hearing is necessary in this proceeding and, if so, the reasons why; whether the provisions of § 196.195(2), Stats., must be considered in this proceeding; and any other comments which should be brought to the attention of the Commission. In that notice, the Commission also stated that, depending on the outcome of the comments requested therein, a hearing could be scheduled in this proceeding. Comments were filed by Ameritech, GTE North, and MCI Telecommunications Corporation in response to the notice. With consideration for agencywide priorities, the Commission finds it useful to address the issues in docket 6720-TI-130 as part of the Commission's evaluation of price regulation in docket 05-TI-174.

The Commission intends to perform the five-year review according to the following tentative schedule:

1. A technical conference will be held to seek input from the public and the industry respecting (1) the scope of the five-year review, including the objectives, the pertinent issues, and the criteria to be used in the Commission's evaluation of price regulation, and (2) the content and format of the reports required pursuant to § PSC 163.06(1), Wis. Adm. Code. The technical conference will be followed by a prehearing conference where the scope of the five-year review and the contents and format of the August 1, 1998, report will be established. (May 1998)
2. Ameritech and GTE North shall file the reports required pursuant to § PSC 163.06(1), Wis. Adm. Code, no later than **August 1, 1998**.
3. Ameritech and GTE shall make presentations to parties and other interested persons regarding the August 1, 1998, reports. (August 1998)
4. Staff will issue a report on its findings. (November 1998)
5. Staff will make presentations to parties and other interested persons regarding the report on its findings. The staff presentation will be followed by a prehearing conference for the purpose of: (1) identifying and designating the issues, (2) identifying the persons who will actively participate as full parties, (3) determining the date and time for a hearing, (4) specifying dates for filing of prefiled testimony and exhibits, and (5) any other matter that will facilitate the hearing. (December 1998)

6. Pursuant to § 196.196(1)(g)4., Stats., “If a telecommunications utility that has more than 150,000 access lines in use in this state elects to become a price-regulated telecommunications utility before December 31, 1997, the commission shall commence the hearing required under subd. 1. no earlier than February 1, 1999, and no later than February 15, 1999, and shall complete the proceeding that includes that hearing no later than June 30, 1999.” Hearings will be held in this docket, therefore, commencing during the first half of February 1999.

7. Pursuant to § 196.196(1)(g)4., Stats., an order will be issued in this proceeding no later than June 30, 1999.

This is a Type III action under § PSC 4.10(3), Wis. Adm. Code. No unusual circumstances suggesting the likelihood of significant environmental consequences have come to the Commission’s attention. Neither an environmental impact statement under § 1.11, Stats., nor an environmental assessment is required.

**NOTICE IS HEREBY GIVEN** that the Commission will investigate the matters described hereinabove and will hold both a technical conference and a prehearing conference respecting the same on May 12, 1998, in the Amnicon Falls Hearing Room (Room 1300), at the Public Service Commission Building, 610 North Whitney Way, Madison, Wisconsin. This building is accessible to people in wheelchairs through the Whitney Way first floor entrance (lobby). Parking for people with disabilities is available on the south side of the building. Any person with a disability who needs accommodations should contact Richard Teslaw, General Services Assistant, at (608) 267-9766. The technical conference will commence at 10 a.m. and the prehearing conference at 2 p.m.

**NOTICE IS HEREBY FURTHER GIVEN** that the Commission intends to distribute to parties, a proposed list of objectives, the pertinent issues, and the criteria to be used in the Commission’s evaluation of price regulation. This proposed list will be distributed on May 5, 1998, to those parties on the docket’s mailing list. Parties interested in receiving the May 5, 1998, mailing should so indicate, if they have not already done so, by contacting **Thomas J. Ferris**, Audit Manager, Telecommunications Division, as indicated in the box on page one, referring to docket 05-TI-174, and providing a contact name with address, telephone number, and facsimile number. Fax filing cover sheets must state “Official Filing,” the docket number, and the number of pages. File by one mode only.

**NOTICE IS HEREBY FURTHER GIVEN** that the Commission deems it necessary in order to carry out its duties herein to investigate the books, accounts, practices and activities of the price-regulated telecommunications utilities, Ameritech and GTE North. The expenses incurred or to be incurred by the Commission which are reasonably attributable to such investigation will be assessed against and collected from Ameritech and GTE North in accordance with the provisions of § 196.85, Stats., and ch. PSC 5, Wis. Adm. Code.

Docket 05-TI-174

Questions regarding this matter should be directed to Thomas Ferris, Audit Manager, Telecommunications Division, at (608) 266-1124.

Dated at Madison, Wisconsin \_\_\_\_\_

By the Commission:

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Lynda L. Dorr  
Secretary to the Commission

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